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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Standing Committee on Economic Cooperation among Developing Countries on its first session

held at the Palais des Nations, Geneva,
from 11 to 15 January 1993

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INTRODUCTION

1. The Standing Committee on Economic Cooperation among Developing Countries, established in accordance with paragraph 70 of the Cartagena Commitment, held its first session at the Palais des Nations, Geneva, from 11 to 15 January 1993. In the course of the session, the Standing Committee held four plenary meetings. 1/

Opening statements

2. The Chairman thanked the secretariat for the excellent documentation (TD/B/CN.3/2 and TD/B/CN.3/3) and urged all delegations to make maximum use of these papers. He also drew attention to other relevant documents on Economic Cooperation among Developing Countries (ECDC), including: the Group of 77 Caracas Action Plan on ECDC of May 1981; the Group of 77 Buenos Aires Action Plan on Technical Cooperation among Developing Countries (TCDC) of September 1978; the Group of 77 Teheran Declaration of November 1991; the Cartagena Commitment of February 1992; the Group of 77 Declaration of the 16th Annual Meeting of Foreign Ministers of October 1992; the Joint Communiqué of the Third Meeting of the Summit Level Group for South-South Consultation and Cooperation, of November 1992; and the resolution of the United Nations General Assembly at its 47th session on UNCTAD VIII (GA/C.2/47/L.82). These texts showed that ECDC was growing in significance. Hence some eight fundamental conclusions could be drawn, namely: (a) the revitalization of ECDC was inevitable, an assumption albeit predicated on the revitalization of the developing countries; (b) ECDC and TCDC must gain more attention from developed countries; (c) Governments of developing countries must redefine and determine afresh their priorities under the changed development conditions; (d) the scope of ECDC must be broadened; (e) the impact on the developing countries of regional economic integration arrangements should be reviewed; (f) it was imperative to review and systematically identify conditions for the success of ECDC; (g) public information and education on a broader scale was needed concerning ECDC activities; and finally (h) the question of the impact on the ECDC process of reverse flows of resources from the South to the North should have top priority on the international agenda.

3. He then recalled that the new "Partnership for Development", reflected in the Cartagena Commitment, recognized the vital role of ECDC in the advancement of developing countries and in the growing partnership among countries for global development. The present Committee, in keeping with the Cartagena Commitment and the Committee's Terms of Reference, was expected to promote innovative new ECDC themes. Some of these were outlined in TD/B/CN.3/2, including two institutional mechanisms, respectively, for a consultative dialogue between recipients and donors, and for an exchange of experience with policies and measures favouring ECDC. The new approach to dialogue was intended to be demand-driven in that the developing countries were expected to generate initiatives for ECDC while international facilitative or supportive measures would evolve only in response to these initiatives. Obviously, intergovernmental debate on ECDC could not and would not continue to be "business as usual". A new beginning in terms of attitudes to negotiation was needed along with procedures that included open-ended informal sessions and caucus-type consultations which would supplement the formally structured dialogue machinery, for results to be achieved through a pragmatic approach.

Furthermore, the Committee's deliberations would require follow-up actions by the secretariat, the Chairman and the members of the Committee. To this end, the Chairman declared his intention to undertake broad-based contacts and consultations with all actors involved in the ECDC process.

4. The Deputy to the Secretary-General of UNCTAD said that the eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII), held in Cartagena de Indias in February 1992, had fully grasped the significance of contemporary political and economic changes in recognizing the need to establish a new partnership for development that would inspire new economic relations among countries. UNCTAD VIII had reaffirmed the continued relevance of the role of economic cooperation among developing countries (ECDC) in promoting economic growth in developing countries and securing their integration into the world economy. Historically, ECDC was most dynamic during periods of rapid economic growth in developing countries. The poor performance of most of these countries in the 1980s had adversely affected ECDC processes. Nevertheless, the evolving global context increasingly demonstrated that effective participation in ECDC processes was an imperative in a world economy characterized by the internationalization of production and financial markets, the rapid evolution of technology and the increasing importance of transnational corporations in global production and trade. The significance of ECDC had also become more evident against the backdrop of the movement to create wider economic spaces, such as the European single market and the North American Free Trade Area, as well as new regional cooperation initiatives in Africa, Asia, and Latin America and the Caribbean.

5. Evolving world conditions had infused new thinking, attitudes and approaches into ECDC. This had widened the options available for pursuing sound domestic policies, for enhancing economic security, and for facilitating the integration of developing countries into the global economy. The process of revitalization of regional and subregional schemes had been supported by the new trends towards trade liberalization, deregulation and privatization as well as by the incorporation of new elements of economic cooperation. However, the process required, in addition, a parallel convergence of domestic and regional policies and objectives. At the interregional level, projects to be pursued with utmost vigour and purpose included the GSTP and the interregional projects being promoted by the Summit Level Group of Developing Countries. The international community, responding to the new changes, was gradually looking more favourably on ECDC, in general, and regional integration, in particular, as evidenced by the recent meetings held within the OECD framework, including the OECD Ministerial Meeting of May 1992. The task of the present session of the Committee was to formulate a work programme for the Committee which would strengthen and support the ECDC process. There was a need to take into account the lessons of the past as well as to explore new potentials and new areas of complementarity for fostering ECDC. The demands of the new partnership relationship, the efficacy of exchanges of experience, the need for incorporating "developing economies in transition" into the ECDC process and the evolving developed-developing countries' cooperation required attention.

Chapter I

ESTABLISHMENT OF THE WORK PROGRAMME OF THE STANDING COMMITTEE
(Agenda item 3)

6. For consideration of this item, the Standing Committee had before it the following documentation:

"Issues for consideration in the establishment of the work programme: note by the UNCTAD secretariat" (TD/B/CN.3/2)

and

"Review of major developments in the area of economic cooperation among developing countries: report by the UNCTAD secretariat" (TD/B/CN.3/3)

as well as background documents:

"Regional and subregional economic integration and cooperation among developing countries: adjusting to changing realities: the African case, report by the UNCTAD secretariat" (UNCTAD/ECDC/228)

"Report of the expert group meeting on regional and subregional economic integration and cooperation among developing countries" (UNCTAD/ECDC/229)

"Regional, subregional and interregional economic cooperation and integration among developing countries: exchange of experiences among groupings of developing countries: an evaluation of the ASEAN experience, report by the UNCTAD secretariat" (UNCTAD/ECDC/331)

"Report of the United Nations Chitose Forum on South-South Economic Cooperation with particular reference to Asia and the Pacific" (UNCTAD/ECDC/231)

"Regionalization and integration into the world economy in the 1990s: the Latin American experience in trade, monetary and financial cooperation" (UNCTAD/ECDC/234)

7. The Director of the Division of Economic Cooperation among Developing Countries (ECDC) presented the secretariat's view of the most relevant issues in ECDC. These included: (a) the need to consider trade liberalization programmes as an essential part of ECDC efforts; (b) the requirement of additional financial resources for clearing and payment arrangements and trade-financing instruments, including wide support from the international community for an interregional trade financing facility; (c) the necessity to support and accelerate the involvement of the enterprise sector in the integration process; (d) the need to incorporate new elements of cooperation in the regional integration strategies and meet the immense support requirements to this end; and (e) the need to embrace developed countries in South-South cooperation as potential inducers of growth. He then emphasized the Committee's role as a forum to consider trade, trade-related and financial cooperation aspects in an integrated fashion in the light of the

General Assembly resolution which assigned UNCTAD a key role in ECDC. The Committee would be expected to consider the establishment of subsidiary mechanisms designed to provide a forum for (a) exchange of ECDC-related experiences and (b) consultative dialogue with the donor community. He referred to the research and the technical assistance activities undertaken by the secretariat during the period under review, which were pursued according to the general principle of equitable attention to developing regions.

8. The spokesman for the Asian Group (Indonesia) observed that a new approach to ECDC might be required in order to confront the changes in international economic and political relations which had occurred in the 1980s. This new approach should take into account the economic reforms pursued by a significant number of developing countries, the need to improve the overall efficiency and competitiveness of their productive sectors and a stronger emphasis on the mobilization of domestic and foreign resources for investment. ECDC should also be seen as an instrument to secure the effective and equitable integration of developing countries into the world economy. In this context, the Asian group considered that the work programme of the Committee should include the following subjects: (a) the development of regional and subregional trade liberalization programmes; (b) the development of integrated regional and subregional production programmes; (c) the possibility of establishing an interregional trade finance mechanism among developing countries; (d) the promotion of enterprise cooperation among the developing countries and (e) the strengthening of technical cooperation. In addition, the establishment of an ad hoc intergovernmental expert group might be considered necessary; such a group, if established, should be either specific in character or subject-oriented.

9. In the interregional context, there was a need to strengthen, during the second round of negotiation, the Global System of Trade Preferences among Developing Countries (GSTP), as a primary vehicle for the promotion of trade among developing countries and as an essential mechanism for strengthening collective self-reliance. In that context, there was also a need to take duly into account the special status and requirements of LDCs. The Asian Group fully agreed that the implementation and strengthening of ECDC was primarily the responsibility of the developing countries themselves, as the Cartagena Commitment had provided. The international community was invited to provide adequate assistance for the success of ECDC - through its financial assistance, technical cooperation, support for specific programmes and projects of individual interregional, regional and subregional integration groupings, as well as for regional infrastructural projects.

10. The representative of Bangladesh stated that although trade expansion was supposed to be the centre-piece of ECDC efforts, results in this area were not encouraging. South-South trade accounted for only 7.2 per cent of global trade in 1991. A number of factors had prevented ECDC efforts from realizing their full potential. These included: the imposition by developing countries of trade restrictions against other developing countries, including the least developed countries; difficulties in promoting complementary production structures; absence of an ECDC component in national macroeconomic policies of developing countries; lack of institutional arrangements at the country level for promoting ECDC; and lack of a clear understanding of the role of international support for ECDC. Regarding the latter, international donor

agencies and developed countries may assist ECDC only when developing countries proposed viable projects for their investment, and when the interest of donors and recipients converged. With respect to the work programme of the Committee, a number of points were emphasized. The question of expert groups called for careful consideration: there must be an evaluation of the outcome of previous expert group meetings and scrupulous definition of the terms of reference of new expert groups, emphasizing the preparation of viable projects for ECDC with suggestions for practical implementation measures. In addition, greater involvement of the private sector was essential in order to establish joint ventures and promote flows of trade and direct investment among developing countries. Furthermore, while the scope of potential areas for ECDC was wide-ranging, there was a need to focus on priority areas. Lastly, it was urgent to overcome the current lack of coordination and solidarity among developing countries as well as at the international level, and to prioritize areas in which development could be promoted through ECDC.

11. The spokesman for the Latin American Group (Peru) endorsed the secretariat's view that the operational effort of UNCTAD regarding ECDC should be strengthened. He also stated that the work programme of the Committee should take into account the following issues: (a) give priority to the analysis and recommendations concerning links between different integration schemes, especially at the interregional level; (b) identify ways in which the various integration schemes could interact, with a view to increasing trade, finance and technological exchanges; (c) coordinate the work of the Standing Committee with that of other UNCTAD bodies covering related fields, such as the Ad Hoc Working Groups on Trade Efficiency and on Expansion of Trading Opportunities in Developing Countries, in view of the interdisciplinary nature of the subject; (d) promote exchanges of experience among private enterprises; (e) foster the Global System of Trade Preferences among Developing Countries (GSTP) particularly preparations for the Second Round; and (f) give favourable consideration to the secretariat proposals on establishing a dialogue between the donor community and the recipient country groupings.

12. The representative of Cuba asked for document UNCTAD/ECDC/332 - Report of a meeting on inter-enterprise cooperation between developing countries, held in Havana, Cuba, from 11 to 14 May 1992 (November 1992) - to be distributed and considered as a working document of the Committee.

13. The representative of Japan said that the recent changes in the global political and economic environment had made ECDC more important. Hence the establishment of a viable and well-defined work programme of the Standing Committee merited utmost care. The main aim of the Committee's work was towards a better understanding of ECDC issues as this would pave the way to enhanced cooperation. An exchange of experiences among member States in this regard had great relevance. For example, valuable lessons could be drawn from the economic cooperation process in Asia and the Pacific region. The Committee should identify the main impediments and disincentives to the expansion of South-South trade and cooperation, then examine the policy measures needed to address those problems. Given the key role of enterprises in the promotion of ECDC, the Committee should also undertake policy analysis and formulate recommendations to enhance their contribution within groupings. Revitalization of ECDC was very important for integrating developing countries into the world economy.

14. The representative of China said that ECDC was an important factor for the economic growth of developing countries, and a stimulus to North-South negotiation and the maintenance of peace. Now that the cold war had ended, revitalization of the world economy, in particular the economies of the developing countries, was the major challenge. The deepening of some integration processes in the developed world and the increased protectionism within these countries called for adequate responses from the developing countries so as to cope with this unfavourable environment. Developing countries would have to strengthen their solidarity and rely on their own efforts. The maintenance of the Committee, following the restructuring of UNCTAD, proved that ECDC was deemed central to coordination of policies of the developing countries. Document TD/B/CN.3/2 provided by the secretariat could serve a useful basis for discussion of the work programme as could the Terms of Reference. The need to revitalize trade as an instrument for ECDC implied the removal of structural barriers to trade, establishment of trade-information networks, improvement of export production capacities, expansion of intra-group trade, support for trade liberalization policies, and consideration of modalities for providing international support. Specifically referring to the Cartagena Commitment and to the Terms of Reference of the Standing Committee, he reminded the Committee that its task was to "review studies and, if appropriate, make proposals on the establishment of, and support for, an interregional trade finance mechanism among developing countries". While implementation of ECDC rested mainly on the developing countries themselves, there was a need to provide support to ECDC projects. China, itself a developing country, accorded high priority to cooperation with other developing countries in accordance with the principle of equality, mutual benefits, efficiency and common development. A large number of agreements covering more than 1,000 projects had already been made with other developing countries. The status of China as an observer with the Non-Aligned Movement and its strengthening relationship with the Group of 77 was evidence of China's willingness to contribute to the revitalization of the developing countries as a whole.

15. The representative of the Organisation for Economic Cooperation and Development (OECD) said that this meeting was regarded as important for anchoring the work on ECDC in the context of the new international environment and in the spirit of Cartagena. OECD had taken an increasing interest in monitoring the activities of regional groupings. The phenomenon of regional integration was the subject of OECD trade studies to assess its compatibility with the objectives of the Multilateral Trading System. The extent to which it could contribute to the integration of developing countries into the world trading system was the primary focus. In addition, while acknowledging the growing interest among developing countries in the new generation of regional initiatives, OECD's Development Assistance Committee (DAC) recognized that the donor community must become increasingly sensitive to the objectives of these groupings, seek ways to encourage them and avoid policies which might obstruct these efforts. To this effect, the DAC held a meeting in September 1992 on the "New Regional Initiatives and Roles for Development Cooperation". The outcome of the meeting showed that DAC members recognized the range of new regional cooperation and integration initiatives being promoted by developing countries through pragmatic approaches, in a shift away from industrial planning and import substitution towards market-oriented policies that promoted international competitiveness. They were likewise made more aware of

the need to reflect the regional dimension in the design and implementation of development cooperation and were ready to support and encourage such initiatives. This factor constituted a major challenge for donors as their aid policies had traditionally been conducted on a primarily bilateral basis. In this respect, five points were relevant, namely: (a) the need for greater sensitivity to the regional dimension of assistance; (b) support must lead to a rationalization and streamlining of regional institutions; (c) donors could help in identifying areas suitable for regional approaches; (d) innovative ideas were needed for promoting communication and problem-solving capacity by both governmental and non-governmental sectors; and (e) promising examples for regional arrangements should be identified and their progress monitored so as to provide useful lessons for others.

16. She also outlined the objectives and working methods of the OECD which, historically, were to increase transparency, enhance coordination and coherence of OECD country policies, and to work towards an open, multilateral trading system. The working methods revolved around consensus-building through the exchange of information among experts, sharing of experiences, monitoring of policies, and peer review to oversee implementation.

17. The representative of the Food and Agriculture Organization of the United Nations (FAO) said that ECDC/TCDC was among the priority means of action in FAO's activities. Support to ECDC went back to the early years of the Organization through the regional fishery bodies, desert locust programmes and commodity groupings. Intercountry economic cooperation was now the centre-piece of the activities of a number of FAO-sponsored commissions, technical bodies and intergovernmental commodity groups. The regional and subregional cooperation and integration groupings provided natural channels for such cooperation, thus signifying the importance of such bodies, as mentioned in (TD/B/CN.3/2, para. 11). FAO's studies on global and regional strategies and policies made significant contributions to ECDC by focusing on production complementarities, trade possibilities and on programmes and policies designed to promote collective or regional self-reliance. Similarly, FAO's ongoing collaboration with the Organization of African Unity (OAU) in the development of a "Common African Agricultural Programme" (CAAP) was expected to provide the basis for the preparation of a protocol on food and agriculture by the African Economic Community (AEC). FAO was collaborating with a number of developing countries as well as regional and subregional bodies in promoting cooperative arrangements in the field of pest control, food security, environmental protection, agricultural and commodities trade and market information, fisheries and forestry research, management and development. As noted by the secretariat, there was a growing realization in the developing world that the scope of ECDC should go beyond trade (TD/B/CN.3/3, para. 2). FAO had been supporting ECDC across the whole range of its field of its competence. The Organization was guided by the conviction that the developing countries were the prime movers and that FAO's support was catalytic. Lastly, he assured the Committee of FAO's continued support to ECDC within the resources available.

18. The representative of Iraq concurred with the Chairman's assessment of the important themes for ECDC set out TD/B/CN.3/2 and other relevant reports. Revitalization of trade among countries members of integration groupings was important because trade was the driving force for their development. In this

respect, an essential area for inclusion in the work programme of the Committee was the removal of barriers, whether structural or other, to the expansion of trade among developing countries. Iraq, a major oil exporter, had an open economy where foreign trade was important and so it could contribute to increasing South-South trade flows. However, actions to prevent such trade flows, as for example the economic blockade imposed on Iraq still in force after over two years, prevented it from fulfilling its national and international economic commitments and fully expanding trade relations with other developing countries. The Committee should, both from humanitarian and economic viewpoints, seek to address such problems.

19. The representative of Denmark, speaking on behalf of the European Community and its Member States, said that experience had proved that cooperation, mutual understanding and progress went hand-in-hand and that, like the Community, other regions could derive benefits through cooperation and integration. For developing countries particularly, this approach might be the only practical path to development. While past experience with ECDC had not always been positive, recently there had been an expansion in South-South trade and regional integration efforts. Although this had not yet encompassed some of the poorest developing countries, ECDC was indeed being revitalized. While the desire to "reach as far as possible as fast as possible" was justifiable, a gradual approach might be advisable. The Community and its member States, acting as a donor and development partner, provided support to regional projects under the various Lomé Conventions and technical, institutional and financial support to the Central American Common Market, the Andean Pact, ASEAN and MERCOSUR. The Community was also in the process of negotiating a free trade agreement with the Gulf Cooperation Council. The spokesman stressed, however, that ECDC was primarily the responsibility of the developing countries.

20. Regarding the establishment of the work programme of the Committee, while almost all the issues raised in the note by the secretariat had clear relevance (TD/B/CN.3/2), he proposed a selective approach. The Committee should: (a) concentrate on the creation of economic and physical conditions -- including elements mentioned in paragraphs 8, 9, 16 and 17 of TD/B/CN.3/2 -- that give the needed incentives and possibilities for ECDC to succeed; (b) avoid overlapping with the tasks of other UNCTAD bodies and other international organizations. Referring to institutional proposals on (a) exchange of experiences and (b) donor-recipient dialogue on regional ECDC projects, he stressed that, instead of new mechanisms, the Committee itself should undertake this task. It could, however, identify at a later stage appropriate mechanisms for performing those functions beyond the Committee's lifetime. He also mentioned the importance of including environmental aspects in the Programme of Work.

21. The representative of the Economic Commission for Asia and the Pacific (ESCAP) stated that in the Asia-Pacific region there had been a convergence of favourable factors allowing an intensification of efforts towards enhanced regional economic cooperation. Among the more important changes in the region were the perceptible reduction of political tensions and the emerging commonality of views among countries on economic philosophies and on adopting outward-oriented policies. With a view to responding more effectively to the new challenges, ESCAP had undergone a restructuring of its intergovernmental

structure and an orientation of its work programme aimed at three principal objectives: regional economic cooperation; poverty alleviation; and environment and sustainable development. In April 1992, the Commission had adopted the Beijing Declaration on regional economic cooperation. It provided a framework for cooperation on the basis of equality and mutual benefit in the broader context of global developments and commitment to an open multilateral trading system. It also gave high priority to regional economic cooperation on intraregional trade and investment, science and technology, and development of infrastructure.

22. A Committee for Regional Economic Cooperation had also been established with a Steering Group whose membership was open to regional members and associate members of ESCAP. The Steering Group, at its first meeting in New Delhi, had agreed on an "action programme for regional economic cooperation in trade and investment". The action programme laid emphasis on: facilitating growth of intraregional trade, inter alia, through provision of disaggregated trade data and information; expanding financing and investment guarantee facilities for supporting trade and investment growth; strengthening the infrastructure for expanding regional trade, particularly the Regional Trade Information Network (TISNET), and promoting greater interaction between private sectors; developing a trade-related research institutions' network; studying the sectoral flows of foreign direct investment and establishing a regional investment information and promotion service; heightening members' awareness of environmental issues and their impact on trade and investment; identifying complementarities between the economies in transition and other countries in the region; and exploring and suggesting ways and means of promoting cooperation among various subregional groupings such as ASEAN, the Economic Cooperation Organization (ECO), the South Asian Development Coordination Conference (SAARC) and the Pacific Forum.

23. The spokesman for the African Group (Nigeria) stated that ECDC was crucial for the development of the African region. It could widen internal markets, enabling economies of scale. It offered the possibility of better exploitation of existing and potential complementarities in terms of natural, human, technological and financial resources, thus increasing intra-Africa trade, diversifying the product coverage of such trade and integrating African economies into the world economy. However, the numerous programmes and institutions for economic cooperation established in the past 30 years had had only modest success. The problems encountered largely reflected the lack of viable internal market size, well-developed trading and financial linkages, and adequate supportive structure for regional cooperation such as a high degree of differentiation in production structures. In addition to these internal obstacles, the world economic crisis had impinged on the external sector of African economies, contributing especially to the deterioration of their commodity export earnings, with adverse effects on regional cooperation. Recently, many African countries and their groupings had been making efforts to revitalize the whole process, taking into account lessons from the past. There was renewed emphasis on the creation, strengthening and diversification of production and export structures through cooperation in investment and industrial development and trade liberalization along with efforts to create and enhance business networks among African countries and promote cooperation among their enterprises in joint ventures, investment and training. These efforts to establish regional and subregional

economic integration on a sound basis needed to be supported by the international community.

24. In respect to the work programme of the Standing Committee, the African Group supported the ideas of (a) strengthening the institutional framework for subregional and regional economic integration by involving private operators in the integration process; (b) increasing technical and financial support from the international community; (c) strengthening clearing and payments arrangements; (d) establishing trade-financing facilities, including an interregional trade-financing facility (ITFF); (e) taking into account the special needs of the least-developed countries and (f) setting up subsidiary mechanisms to (i) exchange ECDC-related experiences and (ii) provide a consultative dialogue framework with the donor countries.

25. The representative of the Arab Maghreb Union 2/ said that the end of the cold war had provided both developed and developing countries with a rare opportunity to create a new basis for cooperation. The Arab Maghreb Union (AMU), created in 1989 by the Marrakesh Treaty, consolidated previous agreements in several fields between AMU member States. That treaty emphasized, inter alia, the need for regional self-sufficiency in agricultural goods, development of a common infrastructure in energy and telecommunications, coordination of fiscal and monetary policies and, ultimately, creation of a unified Maghreb market. Some 25 agreements to that end had already been signed, including one creating the Maghreb investment and External Trade Bank. Issues such as population growth, natural resources and environment were also on the agenda of AMU. However, one major obstacle to the deepening of AMU cooperation remained: a trade embargo against one of the member States. AMU countries were willing to develop more effective forms of cooperation among developing countries. However, the developed countries also had an important role to play in the strengthening of ECDC, by recognizing the important link between stability and development. He referred to the role of aid-granting developed countries as partners in regional projects. As countries in the Mediterranean Basin, AMU members also attached importance to finding a solution to the problem of the Palestinian people.

26. At its 3rd plenary meeting on 12 January 1993 the Standing Committee on Economic Cooperation among Developing Countries decided to convert itself into an informal working group to consider in detail the draft programme of work.

Chapter II

PROCEEDINGS OF THE 4TH (CLOSING) PLENARY MEETING

A. Action by the Standing Committee on agenda item 3

27. At the 4th (closing) plenary meeting of the Standing Committee on 15 January 1993, the Chairman introduced an agreed draft programme of work (TD/B/CN.3/L.2).

28. At the same meeting, the Standing Committee adopted the draft programme of work as contained in TD/B/CN.3/L.2 (TD/B/CN.3/4). For the text of the Programme of Work, see annex II.

B. Closing statements

29. The spokesman for the African Group (Morocco), noting the helpful spirit of cooperation with which delegations had conducted their deliberations under the skilful leadership of the Chairman, also expressed a feeling of satisfaction commingled with pride in the election of a chairman from a country in his Group.

30. The spokesman for the Asian Group (Indonesia) said that the Programme of Work elaborated by the Standing Committee was the result of intensive hard work and outstanding cooperation reflecting the Spirit of Cartagena. Under the strong leadership of the Chairman and Bureau, this cooperative spirit could be expected to advance actively the work of strengthening economic cooperation among developing countries.

31. The representative of Denmark, speaking on behalf of the European Community and its Member States, commended the Chairman for the manner in which he had guided the work of the session and brought it to a timely conclusion and also paid tribute to the excellent spirit of cooperation and compromise shown by all delegations.

32. The spokesman for the Latin American and Caribbean Group (Peru) wished to associate his remarks with those of previous speakers in the meeting and stressed how the tactful manner in which the work of the session had been advanced revealed the Chairman's consummate skill. Delegations had been able to entertain the feeling that they were working without pressure. There had even been sufficient time to examine the documentation. This propitious start gave cause for hope that the Programme of Work elaborated at the session would lead to concrete results and to renewed vitality in the efforts to strengthen economic cooperation among developing countries.

33. The spokesman for Group B (Netherlands) stated that the Chairman's able and efficient guidance had been particularly appreciated in view of the arduous task with which the Standing Committee had been charged in establishing a Programme of Work to be carried out before the next session of the Conference.

34. The representative of China observed that after an intensive session the Standing Committee had reached agreement on a Programme of Work satisfactory to all parties concerned. The cooperative spirit shown by all delegations had contributed greatly to this outcome and the assistance from the secretariat had been very helpful. This auspicious start to the work of the Standing Committee prompted him to recall an old saying: "a good beginning is already half way to success".

35. The spokesman for the Group of 77 (Zimbabwe) said that the Programme of Work elaborated and agreed on by the Standing Committee truly reflected the outstanding qualities of the Chairman's leadership. Thanks were also due to the Bureau and secretariat. His Group felt that the work of the Standing Committee was off to a very good start.

36. The Chairman, in closing the session, commended the Standing Committee for the well-balanced, viable Programme of Work which it had negotiated.

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

37. The first session of the Standing Committee on Economic Cooperation among Developing Countries was opened on 11 January 1993 by the Deputy to the Secretary-General of UNCTAD.

B. Election of officers

(Agenda item 1)

38. At its 1st and 2nd plenary meetings on 11 January 1993, the Standing Committee on Economic Cooperation among Developing Countries elected its officers as follows:

Chairman:	Mr. D. Nanjira	(Kenya)
Vice-Chairmen:	Mr. S. Jamaludin	(Bangladesh)
	Mr. C.M. Cozendey	(Brazil)
	Mr. K. Khiari	(Tunisia)
	Mr. P. Gebert	(Denmark)
	Mr. R. Conrad	(United States of America)
Rapporteur:	Mr. E. Manakine	(Russian Federation)

C. Adoption of the agenda and organization of work

(Agenda item 2)

39. At its 1st plenary meeting on 11 January 1993, the Standing Committee on Economic Cooperation among Developing Countries adopted its agenda as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Standing Committee
4. Provisional agenda for the second session of the Standing Committee
5. Other business
6. Adoption of the report of the Standing Committee to the Trade and Development Board.

D. Provisional agenda for the second session of the Standing Committee on Economic Cooperation among Developing Countries

(Agenda item 4)

40. At its 4th plenary meeting on 15 January 1993, the Standing Committee adopted the draft provisional agenda for its second session (TD/B/CN.3/L.3). It was agreed that henceforth item 4 of the draft provisional agenda would remain a permanent feature on the Standing Committee's agenda. For the text of the provisional agenda, see annex I.

41. With regard to the timing of the second session, it was agreed that the Standing Committee would meet in 1994 and that the exact date for the second session should be referred to the Group on Calendar Matters.

42. Concerning the manner in which arrangements for regular consultations might be conducted between the first and second sessions, the Committee decided that:

(a) An intergovernmental Group of Experts to hold consultations with interregional, regional and subregional groupings should be organized prior to the second session of the Standing Committee, with a view to collecting relevant information from the donor community and preparing prospects for improvement of assistance programmes. Participants in ECDC programmes and projects were invited to present their developmental objectives and external assistance requirements to this intergovernmental meeting.

(b) The second session of the Committee should review the report of the intergovernmental consultations, with a view to identifying programmes, projects and measures for international support.

E. Other business

(Agenda item 5)

43. There were no points raised at the session under this agenda item.

F. Adoption of the report of the Standing Committee to the Trade and Development Board

(Agenda item 6)

44. At its 4th (closing) plenary meeting on 15 January 1993, the Standing Committee adopted the draft report of its first session (TD/B/CN.3/L.1 and Add.1 and 2) and authorized the Rapporteur to complete the final text as appropriate.

Notes

1/ For the terms of reference of the Standing Committee on Economic Cooperation among Developing Countries, see Trade and Development Board decision 398 (XXXVIII) annex B.

2/ Participating at the special invitation of the Secretary-General of UNCTAD.

Annex I

PROVISIONAL AGENDA FOR THE SECOND SESSION OF THE STANDING COMMITTEE

1. Election of officers

2. Adoption of the agenda and organization of work

3. Strengthening subregional and regional integration and fostering interregional cooperation, as well as promotion and expansion of trade among developing countries

4. Review of major developments in the area of economic cooperation among developing countries, including regular consultations and technical support, assistance and skill development

5. Provisional agenda for the third session of the Standing Committee

6. Other business

7. Adoption of the report of the Standing Committee to the Trade and Development Board.

Annex II

PROGRAMME OF WORK OF THE STANDING COMMITTEE ON ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES a/

1. Pursuant to a New Partnership for Development: the Cartagena Commitment, adopted at the eighth session of the Conference, the Standing Committee agreed, on the basis of Board decision 398 (XXXVIII) which sets out in annex B the terms of reference of the Standing Committee on Economic Cooperation among Developing Countries, the following work programme for the period up to the next session of the Conference:

Promotion and expanding trade among developing countries

2. The Standing Committee will:

(a) Concerning trade expansion programmes of developing countries: (i) propose ways and means for increasing trade opportunities in goods and services among developing countries; (ii) propose ways and means for enhancing competitivity therein; (iii) identify opportunities for the development of business networks, including trade-information systems, in support of the expansion of trade; (iv) explore potentialities and recommend the adoption of complementary measures in areas such as investment, production, money, finance, transport and technology; and (v) explore the possibility for having a target-oriented approach for trade expansion among developing countries;

(b) Develop an inventory of trade barriers, disincentives and other impediments to trade and identify the trade opportunities arising from their elimination.

Encouraging enterprise cooperation

3. The Standing Committee will:

(a) Promote enterprise cooperation within and between groupings and also with other interested countries; encourage the participation of the public and private enterprise sectors in ECDC activities; encourage the establishment of institutional mechanisms such as business information networks, and promote contact between individual enterprises and between their organizations such as chambers of commerce and industry, associations of trading companies; and

(b) Identify opportunities for the establishment of joint ventures and other forms of cooperation among enterprises of developing countries at the subregional, regional, and interregional levels and propose measures for implementing them and for encouraging the participation of developed countries.

Regular consultations

4. The Standing Committee will make the necessary arrangements for a pragmatic policy dialogue among the donor community, subregional, regional and interregional groupings as well as participants in ECDC programmes and projects with a view, in particular, to mobilizing support for designing and

implementing regional initiatives, interregional activities and networking of integration and cooperation schemes. In particular:

(a) Encourage the exchange of experiences among integration groupings;

(b) Participants in ECDC programmes and projects, including regional, subregional and interregional groupings can inform the donor community of their short- and long-term development objectives and external assistance needs;

(c) The donor community may provide information on their assistance programmes relating to cooperation among developing countries; drawing on this information and studies by the secretariat and other relevant organizations, prospects for improvement of the assistance programmes may be identified;

(d) Identify programmes and projects as well as measures for international support to economic, technical and other forms of cooperation among developing countries;

(e) Explore new potentials for cooperation among developing countries and with other interested countries or their groupings.

Strengthening subregional and regional integration and fostering interregional cooperation

5. The Standing Committee will:

(a) On the basis of subregional, regional and interregional experience on economic cooperation, identify actions that would facilitate the use of integration schemes as instruments to enhance ECDC and increase participation of subregional, regional and interregional organizations in the work of the Committee;

(b) Examine possible measures to address specific questions arising out of regional and subregional trade liberalization and preference schemes such as the loss of fiscal revenue; special treatment of less developed countries, more particularly the least developed countries that are members of groupings; rules or origin; and the role of regional funds for adjustments;

(c) Identify possibilities concerning various forms of sectoral cooperation so as to create the conditions for a more efficient allocation of resources, including setting up of subregional programmes designed to encourage the building and expansion of complementary production structures of countries members of integration groupings.

Enlarging and deepening monetary, financial and investment cooperation

6. The Standing Committee will:

(a) Keep under review trends and developments in monetary and financial cooperation among developing countries;

(b) Analyse the particular problems of clearing and payments arrangements of developing countries, as well as arrangements of developing countries with other interested countries, and explore ways and means of overcoming them;

(c) Consider studies on and keep under review developments in trade financing, covering the national, regional, subregional and interregional domains, in particular, developments regarding the establishment of an interregional trade-financing facility and the strengthening of national trade-financing facilities;

(d) Consider studies on regional capital markets and other modes of market-based financial cooperation among financial and banking institutions, with a view to identifying obstacles and new possibilities for cooperation;

(e) Identify areas and opportunities for the flow of direct investment among developing countries.

Technical support, assistance and skill development

7. The Standing Committee will keep under review the UNCTAD secretariat's technical cooperation activities in furtherance of the implementation of the Committee's work programme. The Committee requests the UNCTAD secretariat to:

(a) Provide advice and technical assistance upon request to subregional, regional and interregional economic cooperation and integration schemes and their member States in fulfilment of their objectives;

(b) Mobilize assistance and support for designing and implementing intercountry initiatives, interregional activities and networking of integration and cooperation schemes, as well as encouraging enterprises and other economic agents such as investors and professional and trade associations to participate actively in these initiatives and activities, taking into account the work of other relevant organizations;

(c) Advise on national and regional trade-financing facilities and on the improvement and expansion of payments and clearing arrangements;

(d) Suggest methods and possibilities for the development of regional capital markets and for strengthening interactions between them;

(e) Identify projects which offer prospects for the establishment of joint ventures among enterprises of developing countries;

(f) Organize and participate in specific forums, seminars, workshops, round tables and expert groups of a subregional, regional and interregional nature;

(g) Liaise with relevant organizations both within and outside the United Nations system, especially the regional commissions, with a view to evolving analyses, activities and programmes in support of ECDC.

Note

a/ Adopted by the Standing Committee on Economic Cooperation among Developing Countries, at its 4th (closing) plenary meeting, on 15 January 1993.

Annex III

MEMBERSHIP AND ATTENDANCE a/

1. The following States members of UNCTAD, members of the Standing Committee, were represented at the session:

Afghanistan
Algeria
Austria
Bangladesh
Bolivia
Brazil
China
Cuba
Democratic People's Republic of Korea
Denmark
Egypt
El Salvador
Ethiopia
France
Georgia
Germany
Ghana
Greece
India
Indonesia
Iran (Islamic Republic of)
Iraq
Jamaica
Japan
Kenya
Lebanon
Libyan Arab Jamahiriya
Madagascar
Malaysia
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Panama
Peru
Philippines
Republic of Korea
Romania
Russian Federation
Senegal
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Thailand
Trinidad and Tobago
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Zambia
Zimbabwe

2. The following other States members of UNCTAD, not members of the Standing Committee, were represented as observers at the session:

Australia
Belgium
Bhutan
Bulgaria
Canada
Chile
Dominica
Equatorial Guinea
Finland
Guinea
Guinea-Bissau
Holy See
Ireland
Italy
Portugal
Qatar
Slovenia
Yemen

3. The Economic and Social Commission for Asia and the Pacific; Economic Commission for Africa were represented at the session.

4. The following specialized and related agencies were represented at the session:

Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
World Bank
International Monetary Fund
International Telecommunication Union
International Maritime Organization
World Intellectual Property Organization
United Nations Industrial Development Organization
General Agreement on Tariffs and Trade.

5. The following intergovernmental organizations were represented at the session:

Arab Maghreb Union b/
Commonwealth Secretariat
European Economic Community
Islamic Development Bank
International Organization for Migration
International Textiles and Clothing Bureau
Organization for Economic Co-operation and Development
Organization of African Unity.

6. The following non-governmental organizations were represented at the session:

General category

International Council of Women
Women's International League for Peace and Freedom
World Assembly of Small and Medium Enterprises
World Federation of United Nations Associations

Notes

a/ For the list of participants, see TD/B/CN.3/INF.1.

b/ Participating at the special invitation of the Secretary-General of UNCTAD.

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